

By: Watson

S.B. No. 736

A BILL TO BE ENTITLED

AN ACT

relating to insurance rating and underwriting practices and
declinations based on certain consumer inquiries.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 544, Insurance Code, is amended by
adding Subchapter L to read as follows:

SUBCHAPTER L. CONSUMER INQUIRY

Sec. 544.551. DEFINITION. In this subchapter, "consumer
inquiry" has the meaning assigned by Section 551.113.

Sec. 544.552. APPLICABILITY. This subchapter applies only
to:

(1) a standard fire, homeowners, or farm and ranch
owners insurance policy; or

(2) a personal automobile insurance policy.

Sec. 544.553. PROHIBITION OF UNDERWRITING AND RATING
DECISIONS BASED ON CONSUMER INQUIRY. An insurer may not:

(1) use an underwriting guideline based on whether a
consumer inquiry has been made by or on behalf of the applicant or
insured; or

(2) charge a rate that is different from the rate
charged to other individuals for the same coverage based on whether
a consumer inquiry has been made by or on behalf of the applicant or
insured.

SECTION 2. Section 551.113(a), Insurance Code, is amended

1 to read as follows:

2 (a) This section applies only to:

3 (1) a standard fire, homeowners, or farm and ranch
4 owners insurance policy; or

5 (2) a personal automobile insurance policy.

6 SECTION 3. This Act applies only to an insurance policy that
7 is delivered, issued for delivery, or renewed on or after the
8 effective date of this Act. A policy delivered, issued for
9 delivery, or renewed before the effective date of this Act is
10 governed by the law as it existed immediately before the effective
11 date of this Act, and that law is continued in effect for that
12 purpose.

13 SECTION 4. This Act takes effect September 1, 2013.